

## AUSSIE COMMUTERS FEELING THE IMPACT OF RISING COSTS OF COMMUTING IN A POST-PANDEMIC WORLD

*Aussie commuters report financial pressure around rising fuel and transport costs as they return to the office; with some considering alternative modes of transport, as COVID has changed their perspectives.*

**SYDNEY, 17 NOVEMBER 2022** – Australian commuters (83%) agree the cost of commuting to work has never been as expensive as it is now, with NSW (\$22 per day) and ACT (\$21 per day) topping the list of most expensive states to commute, on average.

According to new research by Real Insurance, many Aussie commuters believe that the rising cost of living has impacted their commuting costs in the past year (71%) and felt that the rising fuel and transport costs have resulted in considerable additional financial pressure for their household (48%).

Commissioned by Real Insurance, in partnership with consumer research group CoreData, [The Real Australian Commute Report 2022](#) surveyed more than 5,000 Australians, exploring the aspects of commuting in Australia. The report tackles commuting costs, time, and sentiment post-pandemic, as well as how these factors affect where people choose to live and work.

### Cost of commute

When it comes to the daily commute to work, the research shows that the average cost of commuting per day is \$20, while the average cost of commuting per year is \$4,003. This suggests that collectively, Australians are spending \$42.3 billion annually commuting to work and on average, it is estimated that daily commute costs have increased by up to \$16 since this time last year.

The study also highlights the best and worst commutes across the country, reporting that capital cities have a higher average annual commute cost in 5 out of 8 states in Australia, compared to the rest of the states respectively. In addition, commuting times are also higher in all capital cities around Australia with the average round trip time estimated for Australians being 54 minutes.

While Sydney is the most expensive capital city to commute to work (\$22 per day), Brisbane-siders were most likely to describe their trip as difficult (29%), especially compared to cities like Darwin (6%) and Hobart (11%).

With the impacts of COVID-19 and working from home in the last two years, over half of commuters (59%) have to some extent changed their view on how much they are prepared to spend in time and money to commute to work as they may be re-evaluating what is important to them in terms of their career, along with the costs, time and location of the job.

**Senior Lecturer in Transport Planning, Dr. John Stone, commented:** “Over the last decade, until the pandemic, most cities experienced an increase in public transport use for trips to work. This was due to several factors including changes in environmental consciousness, demographic shifts with more people living closer to CBD jobs, and improvements in the quality of public transport and safer bike routes especially in the inner suburbs.”

### Work and Living

Despite the ongoing expenses and time spent commuting to work, close to a third of commuters (34%) still prefer to work completely from an office, while more than half (59%) prefer some degree of hybrid work. Surprisingly, not many Aussie commuters (7%) prefer to work completely from home.

Commuters would prefer to work closer from home with more than half of Aussie commuters (68%) who report that commuting time and costs strongly impacts their choice of jobs. Additionally, over half (73%) agree that if there were work opportunities to work closer to home, they would change jobs to reduce their commute.

In terms of living situations, many commuters (over 6 in 10) say that commuting cost and time are important considerations when choosing where to live. On average, the maximum price commuters are willing to spend per week on commuting to work before they would move to a new house or change jobs is \$80. Comparatively, the maximum commute time on average is 62 minutes before they would move to a new house or get a different job.

Despite the majority of Aussie commuters (94%) who moved recently from inner city to regional areas that are at least somewhat happy they made the move, more than half (68%) plan to move back, with over a quarter of Aussies (36%) already in the process of moving back. The most common reasons for moving back to the city are missing friends and family (44%), better working opportunities (42%), and missing the lifestyle (37%).

Dr Stone explained: “Despite the disadvantages of the long, slow, and expensive commute, cities still offer the best opportunities for work, education, and social support. Coming out of the pandemic, we see that people are placing a higher value on their social circles and communities of like-minded people they can find in the city. We need to value the diversity and connections that make city life attractive and make our transport systems work better so that everyone can take advantage of what our cities can offer.”

## Environment

The research shows that Aussie commuters believe it's possible to protect the environment, with the majority (87%) agreeing it's their moral obligation to protect the planet. However, when it comes to extremely important factors when purchasing a car, low running costs (42%) and good performance (39%) were the most common, with only around 1 in 5 regarding environmental friendliness (21%) as extremely important. Despite this, a few commuters (6%) already own an electric car, while some others are considering purchasing an electric (22%) or hybrid vehicle (20%) as their next car.

According to more than half of environmentally friendly car owners (68%), fuel savings due to owning a hybrid or electric car, are more than \$150 a month, however many (55%) estimate that they are paying more than \$150 a month on electricity due to owning a hybrid or electric car.

When it comes to government policy, three-quarters of Australian commuters (75%) agree that the government should be doing more to accelerate the uptake of environmentally friendly cars.

Commuters (85%) also believe that the government could be doing more to ease the costs of their daily commute. Most also agree that better roads mean a safer daily commute (90%) and believe the government should invest in better public transport options too (85%).

“A truly green and equitable transport system needs more than just electric cars. We need better public transport and safer streets for walking and biking. Improving alternatives to the car in the suburbs across Australia is vital for our climate, and the results of the report show that people are ahead of governments on this and desire change.”

### Further key findings

#### **Best and worst commutes:**

- Average daily commute time:
  - NSW - 59 minutes
  - VIC - 54 minutes
  - QLD - 54 minutes
  - SA - 54 minutes
  - ACT - 49 minutes
  - WA - 47 minutes
  - TAS - 43 minutes
  - NT - 32 minutes
- Average daily commute cost:
  - NSW - \$22

- VIC - \$20
- QLD - \$18
- SA - \$18
- ACT - \$21
- WA - \$19
- TAS - \$17
- NT - \$11
- Average annual commute cost:
  - NSW - \$4,477
  - VIC - \$3,902
  - QLD - \$3,706
  - SA - \$3,469
  - ACT - \$4,416
  - WA - \$3,905
  - TAS - \$3,835
  - NT - \$2,440

#### Forms of transport:

- Most common forms of transport used on a typical commute:
  - Private car, as a driver (62%)
  - On foot (walking) (25%)
  - Bus (23%)
  - Train (21%)
  - Private car, as a passenger (19%)
  - Ride share (e.g. Uber) (10%)
  - Bicycle (8%)

#### Office vs. WFH:

- Top 3 preferred ways of working among commuters: prefer to work completely from office (34%), prefer to work hybrid from home and office equally (28%), prefer to work mostly from an office (17%)
- Top reasons to work from home among commuters who would prefer any degree of working from home:
  - Flexibility to work to my own schedule (53%)
  - Cut down commuting times (52%)
  - Cut down commuting costs (52%)
  - Cut down on other costs due to going to the office (42%)

#### Public vs private commuting etiquette:

- Public commuting sentiments among mass transit commuters:
  - I wish other commuters had better manners (87%)
  - I wish people were friendlier (83%)
  - Commuters with poor manners should be fined or banned from using public transport (78%)
  - I prefer not to interact with anyone on public transport (77%)
  - Public transport would be great without other commuters (64%)
  - I've had a nice conversation with a stranger on public transport (62%)
- Car commuter attitudes:
  - I wish other drivers/road users had better knowledge of the rules (91%)
  - Drivers/road users behaving poorly should be fined or banned from using roads (87%)
  - Too many drivers/road users are not courteous or safe (85%)
  - After seeing how people drive overseas, I'm less likely to complain about Aussie drivers (54%)
  - You can tell how annoying another road user will be depending on the vehicle they drive (46%)

#### Relocating back to city:

- Reasons to move back to the inner city among commuters who moved from inner city to regional areas and are planning on moving back to the inner city:
  - Miss friends and family (44%)
  - Work opportunities (42%)
  - Miss the lifestyle (37%)
  - Coastal/regional/rural life did not meet expectations (29%)
  - No longer able to work remotely (20%)

Further insights from the research can be found on the Real Insurance website [here](#).

## ENDS

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The above information has been sourced from *The Real Australian Commute Report 2022*, available on the Real Insurance Website.

### **About the *Real Australian Commute* report**

*The Real Australian Commute Report 2022* forms part of the Real Insurance Research Series. In its latest instalment, this study explores aspects of commuting in Australia, looking to tackle the cost, time and distance commuted by Australians and the affect that has on where people want to work and live. It also explores the impact that COVID-19 has had on the experience of working from home for Australian commuters. The report is compiled based on research commissioned by Real Insurance and conducted by CoreData between 22<sup>nd</sup> of July and 12<sup>th</sup> of August 2022. The research was conducted via a quantitative online survey, gathering 5,001 responses from Australians commuting to work.

The sample is representative of the general commuting population of Australians in terms of cost, distance and time spent commuting across age, gender, wealth and state/territory.

### **About Real Insurance**

Real Insurance is an award-winning provider of insurance products, specialising in life, funeral, pet, travel, car, home and bike insurance. In the market since 2005, Real Insurance has protected the quality of life of many Australians through the delivery of innovative products. Real Insurance is the proud recipient of many product and service awards, most recently being announced a winner of the 2022 Product Review award for Life Insurance and Funeral Insurance, and the Reader's Digest 2022 Gold Quality Service Award for Funeral Insurance and Pet Insurance. Real Insurance is a trading name of Greenstone Financial Services Pty Ltd.